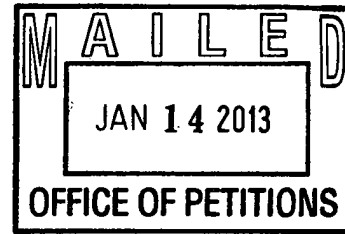




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In re Patent No. 6,264,854 :
Issued: July 24, 2001 : REQUEST FOR INFORMATION
Application No.: 09/546,361 :
Filing Date: April 10, 2000 :
Attorney Docket No. P-5534-18 :

This is in response to the "Response to Request for Information" filed September 10, 2012, and a decision on the petition under 37 CFR 1.378(b), filed February 2, 2012, to reinstate the above-cited patent.

The petition is **dismissed**.

The patent issued July 24, 2001. The 7.5 year maintenance fee could have been paid from July 24, 2008, through January 24, 2009, or with a surcharge, as authorized by 37 CFR 1.20(h), during the period from January 25, 2009, to July 24, 2009. Petitioner did not do so. Accordingly, the patent expired at midnight on July 24, 2009.

A grantable petition under 37 CFR 1.378(b) must be accompanied by a showing to the satisfaction of the Commissioner that the entire delay in paying the required maintenance fee from the due date for the fee until the filing of a grantable petition pursuant to this paragraph was unavoidable. The showing of record is not sufficient to establish to the satisfaction of the Commissioner that the delay was unavoidable within the meaning of 37 CFR 1.378(b).

Opinion

Petitioner must establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.¹

¹The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard. 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee . . . at any time . . . if the delay is shown *to the satisfaction of the Commissioner* to have been unavoidable." (emphasis added).

"In the specialized field of patent law, . . . the Commissioner of Patent and Trademarks is primarily responsible for the application and enforcement of the various narrow and technical statutory and regulatory provisions. His interpretation of those provisions is entitled to considerable deference." Rydeen v. Quigg, 748 F. Supp. 900, 904, 16 U.S.P.Q2d (BNA) 1876 (D.D.C. 1990), aff'd without opinion Rule 36, 937 F.2d 623 (Fed Cir. 1991) (citing Morganroth v. Quigg, 885 F.2d 843, 848, 12 U.S.P.Q.2d agencies' interpretation of a statute it administers is entitled to deference"); see also Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837, 844, 81 L. Ed. 694, 104 S. Ct. 2778 (1984) ("if the statute is silent or

However, “[t]he question of whether an applicant’s delay in prosecuting an application was unavoidable [will] be decided on a case-by-case basis, taking all of the facts and circumstances into account.”²

Nonawareness of the content of, or misunderstanding of PTO statutes, PTO rules, the MPEP, or the Official Gazette notices does not constitute unavoidable delay.³ The statute requires a “showing” by petitioner, therefore; petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. It is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to “show” that the delay was unavoidable.

Petitioner is responsible for possessing knowledge of the need to pay maintenance fees and the due dates for such fees, Petitioner is responsible for instituting a reliable docketing system to remind him or her when maintenance fees become due.

Petitioner is responsible for having knowledge of the need to pay maintenance fees and knowing when the fees are due.⁴ The Office has no duty to notify a patentee of the requirement to pay maintenance fees or to notify patentee when a maintenance fee is due.⁵ Even if the Office were required to provide notice to

ambiguous with respect to the specific issue, the question for the court is whether the agency’s answer is based on a permissible construction of the statute.”))

“The critical phrase ‘unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable’ has remained unchanged since first enacted in 1861.” Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982). The standard for “unavoidable” delay for reinstating a patent is the same as the unavoidable standard for reviving an application. See Ray v. Lehman, 55 F. 3d 606, 608-609, 34 U.S.P.Q.2d (BNA) 1786, 1781 (Fed Cir. 1995) (Citing In re patent No. 4,409,763, 7 U.S.P.Q.2d BNA) 1798, 1800 (Comm’r Pat. 1990; Smith v. Mossinghoff, 671 F. 2d 533, 538, 213 U.S.P. Q. (BNA) 977 (D.C. Cir. 1982). The court in In re Mattullath, accepted the standard which had been proposed by Commissioner Hall which “requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business.” In re Mattullath, 38 App. D.C. 497, 514-515 (1912) (quoting Ex parte Pratt, 1887 Dec. Comm’r Pat 31, 32-33 (1887)).

²Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (1982).

³See Smith v. Mossinghoff, 671 F. 2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel’s nonawareness of PTO rules does not constitute “unavoidable” delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (plaintiffs, through their counsel’s action, or their own, must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

⁴Nonawareness of PTO statutes, PTO rules, the MPEP, or Official Gazette notices, which state maintenance fee amounts and dates they are due does not constitute unavoidable delay. See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel’s nonawareness of PTO rules does not constitute “unavoidable” delay); Vincent v. Mossinghoff, 1985 U.S. Dist. LEXIS 23119, 13, 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (Plaintiffs, through their counsel’s actions, or their own must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications.) (Emphasis added).

Petitioner must act as a reasonable and prudent person in relation to his most important business. Upon obtaining the patent, a reasonable and prudent person, in relation to his most important business, would become familiar with the legal requirements of that business, in this case, the requirement to pay maintenance fees. In addition, a reasonable and prudent individual would read the patent itself and thereby become aware of the need to pay maintenance fees and the fact that such fee amounts are sometimes changed by law or regulation.

⁵Congress expressly conditioned §§ 133 and 151 [of the United States Code] on a specific type of notice, while no such notice requirements are written into § 41(c) . . . [T]he Commissioner’s no timely-notice interpretation.” Ray v. Comer, 1994 U.S. Dist. LEXIS 21478, 8-9 (1994), *aff’d on other grounds* Ray v. Lehman, 55 F.3d 606, 34 USPQ2d 1786 (Fed. Cir. 1995) (Citing Rydeen v. Quigg, 748 F. Supp. 900, 905 (1990), Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S.

applicant of the existence of maintenance fee requirements, such notice is provided by the patent itself.⁶

A reasonable and prudent person, aware of the existence of maintenance fees, would not rely on maintenance fee reminders or on memory to remind him or her when payments would fall due several years in the future. Instead, such an individual would implement a reliable and trustworthy tracking system to keep track of the relevant dates.⁷ The individual would also take steps to ensure that the patent information was correctly entered into the tracking system.

Application of the unavoidable standard to the present facts

By the instant petition, petitioner argues that the above-cited patent should be reinstated because the delay in paying the 7.5-year maintenance fee was unavoidable due to a docketing and clerical error that occurred in the offices of McCarter & English, the law firm charged with tracking and paying the maintenance fee for the subject patent. Specifically, petitioner surmises that Joan Simmons, an employee of McCarter & English, deleted the maintenance fee payment due date reminders for the subject patent matter in the Computer Packages Inc. Patent Management System (CPi) because Ms. Simmons mistakenly associated the payment of the maintenance fee in U.S. Patent No. 6,238,591 (which was also due during the same period as the subject patent) with the payment of the subject patent. Petitioner maintains CPi is sufficiently reliable and reliance on it represented the exercise of due care. Further, petitioner concludes that clerical error of Ms. Simmons was an isolated mistake on the part of Ms. Simmons who is otherwise sufficiently trained and knowledgeable of the CPi system and that reliance on Ms. Simmons represented the exercise of due care in the maintenance of the patent.

837, 81 L. ed. 2d 694, 104 S. Ct. 2778 (1984)). “The Court concludes as it did in Rydeen, that as a constitutional matter, ‘plaintiff was not entitled to any notice beyond publication of the statute.’” *Id.* at 3 (citing Rydeen v. Quigg, 748 F. Supp. at 906, Texaco v. Short, 454 U.S. 516, 536, 70 L. Ed. 2d 738, 102 S. Ct. 781 (1982)).

The Patent Office, as a courtesy tries to send maintenance fee reminders and notices of patent expiration to the address of record. However, the failure to receive the reminder notice, and the lack of knowledge of the requirement to pay the maintenance fee, will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. *See* MPEP 2575, 2540, 2590. Petitioner does not have a right to a personalized notice that this patent will expire if a certain maintenance fee is not paid, as the publication of the statute was sufficient notice. *See Rydeen v. Quigg*, 748 F. Supp. 900, 907 (1990). the ultimate responsibility for keeping track of maintenance fee states lies with the patentee, not the USPTO. Since the mailing of Notices by the Office is completely discretionary and not a requirement imposed by Congress, accepting an argument that failure to receive a Notice is unavoidable delay would result in all delays being unavoidable should the Office discontinue the policy. All petitions could allege non-receipt of the reminder, and therefore all petitions could be granted. This was clearly not the intent of Congress in the creation of the unavoidable standard.

⁶*See Ray v. Lehman*, 55 F.3d 606, 610; 34 USPQ2d 1786, 1789 (Fed. Cir. 1995). The Letters of Patent contain a Maintenance Fee Notice that warns that the patent may be subject to maintenance fees if the application was filed on or after December 12, 1980. While it is unclear as to who was and is in actual possession of the patent, petitioner’s failure to read the Notice does not vitiate the Notice, nor does the delay resulting from such failure to read the Notice establish unavoidable delay.

⁷ 37 CFR 1.378(b)(3) precludes acceptance of a late maintenance fee for a patent unless a petitioner can demonstrate that steps were in place to monitor the maintenance fee. The federal Circuit has specifically upheld the validity of this regulation. *Ray v. Lehman*, 55 F.3d 606, 609; 34 USPQ2d (BNA) 1786 (Fed.Cir. 1995). In *Ray v. Lehman*, petitioner claimed that he had not known of the existence of the maintenance fees and therefore had no steps in place to pay such fees. The petitioner therefore argues that the PTO’s regulation, 37 CFR 1.37(b)(3), *supra*, arguing that it ‘creates a burden that goes well beyond what is reasonably prudent.’ We disagree, The PTO’s regulation merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these requirements additional to proving unavoidable delay, but as the very elements of unavoidable delay.” *Id.*

The petitioner's argument and statements have been considered, but are not persuasive as petitioner has not made the "showing" that is required to satisfy the requirements of 37 CFR 1.378(b). Further to this point, Section 711.03(c)(2) provides, in pertinent part that:

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account." *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). Finally, a petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable." *Haines v. Quigg*, 673 F. Supp. 314, 316-17, 5 USPQ2d 1130, 1131-32 (N.D. Ind. 1987).

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

- (A) the error was the cause of the delay at issue;
- (B) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and
- (C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

Though petitioner has established that a docketing error on the part of an employee in the performance of a clerical function resulted in the non-payment of the 7.5-year maintenance fee, petitioner has not established that there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance. The declaration of Ms. Simmons indicates that she mistakenly associated the payment of a completely different patent with the subject patent. After making this association, Ms. Simmons went in the CPi docketing system and removed the maintenance fee payment reminders for the subject patent. Accordingly, no notification was provided by the CPi docketing system that the 7.5-year maintenance fee for the subject patent was due. The petition is silent as to whether the CPi docketing system as it is configured for McCarter & English gives any warning or prompts any cross checks before such pertinent data is removed from a patent file. It is reasonable to expect that a docketing system would alert the user that such an action could potentially be impactful on the patent. Further, the petition is silent as to whether the docketing system or procedures at McCarter English would have cross checked the indication in the subject patent file that the maintenance fee was paid with a corresponding payment charge to the deposit account associated with the subject patent. The absence of a payment charge to the deposit account for the subject patent would have raised some red flags. In addition, petitioner does not explain whether there are audit procedures in place that may have revealed the non-payment of the 7.5-year maintenance fee for the subject patent. In fact, the record demonstrates that McCarter English was only made aware that it had failed to pay the 7.5-year maintenance fee because the patentee, after hearing from a licensee of the patent, advised McCarter English that the patent as expired.

It is noted that declarations of Ms. Simmons and Mr. Nabulsi makes clear that a reporting letter reflecting the payment of the maintenance fee in the '591 patent was placed in the patent file for the subject patent. Though the header of the reporting letter clearly indicated that it was directed to the '591 patent, neither Mr. Nabulsi nor Ms. Simmons noticed that the reporting letter was in an incorrect patent file. It is reasonable to expect that, in performing the cross-check of the patent file to be sure all is in order, Ms. Simmons and/or Mr. Nabulsi would have looked at the header of the reporting document to be sure that the maintenance fee payment it was memorializing was in the correct file. The failure in this aspect of the

maintenance fee payment process indicates that the business routine in place for paying the maintenance fee is flawed. Taken together, the petition does not demonstrate that there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance as neither the procedures of McCarter English or the docketing system appear to have simple cross checks, alerts, or audits that may have avoided the mistake that led to the failure to pay the maintenance fee.

It is noted that petitioner intimates that the USPTO shares some responsibility in the expiration of the patent because the USPTO failed to change the fee address for the subject patent to that of McCarter English pursuant to as request made in December 2005. As a result, McCarter English received no maintenance fee reminder of a Notice of Patent Expiration. Section 2590 of the *Manual of Patent Examining Procedure* (MPEP) specifically states, in pertinent part, that:

... the patentee's lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay . Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to ensure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a Maintenance fee from the patentee to the Office.

The alleged failure of the Office to enter the requested change to the fee address is regrettable. However, as made clear by the above-cited section of the MPEP, the failure to receive a Maintenance Fee Reminder, and likewise, a Notice of Patent Expiration is not a cause for unavoidable delay.

The renewed petition should address the aforementioned deficiencies. Additionally, the renewed petition should provide a statement from the supervisor of Ms. Simmons, if it is not Mr. Nabulsi, detailing the training in the docketing system and docketing procedures of McCarter English afforded Ms. Simmons and setting forth the established docketing procedures of McCarter English and any audits that may be performed to ensure accuracy.

Petitioner's Current Options

I. Petitioner may file a request for reconsideration.

If reconsideration of this decision is desired, a petition for reconsideration must be filed within TWO (2) MONTHS from the mail date of this decision.⁸ The petition for reconsideration should be titled "Petition for Reconsideration under 37 CFR 1.378(b)." Any petition for reconsideration for this decision must be accompanied by a non-refundable petition fee of \$400.00 as set forth in 37 CFR 1.17(h).

After a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. It is, therefore, extremely important that petitioner supply any

A reasonable and prudent person would not rely on maintenance fee reminders from the Office for two reasons. First, the Office has indicated that such reminders are a mere courtesy and has reserved the right to discontinue such reminders at any time. second, such reminders may be lost in the mail. A reasonable and prudent person, in regard to his most important business would not rely solely on reminders that the Office may or may not send which may or may not be lost in the mail.

⁸No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). This is not a final agency action within the meaning of 5 U.S.C. § 704.

and all relevant information and documentation with the request for reconsideration. The Commissioner's decision will be based solely on the administrative record in existence. Petitioner should remember that is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence "to show" that the delay was unavoidable. If a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

II. Petitioner may request a refund of the maintenance fee and surcharge which accompanied the petition.

Petitioner may request a refund of the maintenance fee and surcharge by writing to the Office of Finance, Refund Section, Commissioner for Patents, Washington, DC 20231. A copy of this decision should accompany petitioner's request.

Further correspondence with respect to this matter should be addressed as follows:

By mail: Commissioner for Patent
 Mail Stop Petitions
 Box 1450
 Alexandria, VA 22313-1460

By facsimile: (571) 273-8300
 Attn: Office of Petitions

Telephone inquiries concerning this decision should be directed to the undersigned at (571) 272-3222.

/Kenya A. McLaughlin/

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